Appendix 4E

Preliminary final report
for the year ended 31 December 2014

Name of entity	RNY Property Trust
ARSN	115 585 709
Reporting period	Twelve month period ended 31 December 2014
Previous corresponding period	Twelve month period ended 31 December 2013

Results for announcement to market

Financial Performance

	A $'000
Revenue/(loss) from ordinary activities	Down 165.8% to (8,833)
Profit/(loss) from ordinary activities after tax attributable to unitholders	Down 201.0% to (11,249)
Net profit/(loss) for the period attributable to unitholders	Down 201.0% to (11,249)

Distributions

Current Period	***Amount per unit***	***Tax Deferred***
Final Distribution	Nil	N/A
Interim Distribution	Nil	N/A
Total	**Nil**	**N/A**
Previous Corresponding Period:		
Final Distribution	Nil	N/A
Interim Distributions	Nil	N/A
Total	**Nil**	**N/A**

Record date for determining entitlement to the distribution for the period ended 31 December 2014	N/A
Date the December 2014 distribution is payable	N/A
Tax advantage component of the December 2014 distribution	N/A
The taxable component of the December 2014 distribution comprises:	
Australian sourced income	Nil%
Foreign sourced income	Nil%
Foreign tax credit per unit	Nil

Disclosures in this report

This preliminary final report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, it is recommended that this report be read in conjunction with the Annual Report of RNY Property Trust for the year ended 31 December 2013 together with any public announcements made by the Trust during the year ended 31 December 2014 in accordance with the continuous disclosure requirements of the Listing Rules of the Australian Securities Exchange.

RNY PROPERTY TRUST
CONTENTS

Review of Operations

Results

The consolidated profit/(loss) of the Group is presented in the Statement of Comprehensive Income. Net loss attributable to the members of the Group for the year ended 31 December 2014 was $11,249,138 (2013: Profit $11,137,634, including gains on debt restructure and property conveyance of $7.5 million).

Likely developments and expected results of operations

The Group's management is presently focussed on cash management and continuing to build and maintain occupancy. The Group will seek to conserve cash by limiting base building capital expenditures to essential projects, continuing to hold back on distributions to unitholders, and seeking to strategically and selectively use cash in support of leasing efforts.

Debt maturities in 2016 and 2017 will provide the Group with added financial flexibility, including the ability to refinance, recapitalize and/or sell assets.

Funding

At December 31, 2014, with regards to one of the US LLC's non-recourse secured loans (the "Senior Bank loan"), the US LLC had approximately US$1.5 million (31 December 2013: US$2.6 million) in a lender controlled cash account with the Senior Bank loan lender. The cash account is used to fund operating expenses, reserves and debt service on a monthly basis. Any remaining funds after providing for the aforementioned items are deposited into a leasing reserve. Such amounts are reflected in share of US LLC's other assets in the accompanying balance sheet.

Matters subsequent to the end of the financial year

On 14 January 2015 the US LLC amended the US$36.0 million Mezzanine Loan (the "Mezz Loan"). Such Mezz Loan was issued in April 2012 and matures in May 2017. Pursuant to the original terms of the Mezz Loan, interest accrued at a 13% rate for the entire 5-year term, but was payable at a 6% rate in the first year, 8% rate in the second year, and 13% rate for the final three years of the 5-year term. As per the amendment, (i) instead of a 13% interest pay rate, the US LLC will pay interest at an 8% rate for year three of the Mezz Loan (April 2014 – March 2015), at a 9% pay rate in year four, and a 10% pay rate in the fifth and final year, and (ii) the interest accrual rate for the final 3 years of the Mezz Loan will increase from 13% to 14% per annum. After giving effect to the amendment, the US LLC received a credit in the amount of approximately US$1.5 million related to interest payments made under the original loan terms versus those due per the amendment.

On 29 January 2015 the US LLC sold 505 White Plains Road for US$2.7 million The Group's 75% share of the sale price of US$2.025 million equates to the property's carrying value at balance date.

With regards to the US LLC's approximate 7.8% interest in the 3 properties held by BRE/Melville, the US$27 million loan secured by such properties matured in October 2014 and the lender commenced a foreclosure proceeding on 20 January 2015. At 31 December 2014 the Group had assigned no value to its interest in BRE/Melville. Such foreclosure proceedings will have no impact on the value of the Group.

Statement of Comprehensive Income
year ended 31 December 2014

	Note	Consolidated 2014 $'000	2013 $'000
CONTINUING OPERATIONS			
Share of net profit of US LLC			
Rental income from investment properties		48,944	49,838
Property related expenses		(27,431)	(25,935)
Net rental income		21,513	23,903
Other income		1,296	1,504
Equity in (loss)/earnings of real estate joint venture		(758)	242
Gain on debt restructure		-	4,857
Gain on property conveyance		-	2,624
Borrowing costs		(16,902)	(16,370)
Other expenses		(2,531)	(2,270)
Net income from US LLC before fair value adjustments		2,618	14,490
Loss from investment property revaluations		(11,452)	(1,072)
Total share of net (loss)/income from US LLC		(8,834)	13,418
Interest income		1	3
Total (loss)/revenue and other income		(8,833)	13,421
Expenses			
Administration expenses		282	268
Finance costs		265	236
Management fees		1,590	1,562
Other expenses		279	217
Total expenses		2,416	2,283
(Loss)/profit from continuing operations before tax expense		(11,249)	11,138
US withholding tax		-	-
NET (LOSS)/PROFIT FROM CONTINUING OPERATIONS AFTER TAX		(11,249)	11,138
OTHER COMPREHENSIVE INCOME – RECYCLABLE			
Foreign currency translation difference (net of tax)		12,670	18,172
Gain on financial instrument hedge (net of tax)	3(d)	321	1,243
Other comprehensive gain for the year, net of tax		12,991	19,415
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,742	30,553
Basic and diluted (loss)/profit per unit from continuing operations (cents)	8(a)	(4.27)	4.23

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Balance Sheet
as at 31 December 2014

	Note	Consolidated 31 Dec 14 $'000	Consolidated 31 Dec 13 $'000
Current assets			
Cash and cash equivalents	7(b)	75	203
Trade and other receivables		19	16
Other current assets		40	32
Total current assets		134	251
Non-current assets			
Investments held in US LLC			
Share of US LLC's investment properties	4	378,018	353,291
Share of US LLC's liabilities		(258,745)	(239,248)
Share of US LLC's other assets		27,664	30,299
Total investment held in US LLC	3	146,937	144,342
Total non-current assets		146,937	144,342
Total assets		147,071	144,593
Current liabilities			
Related party payables		4,846	4,175
Trade and other payables		797	744
Total current liabilities		5,643	4,919
Non-current liabilities			
Preferred shares		152	140
Total non-current liabilities		152	140
Total liabilities		5,795	5,059
Net assets		141,276	139,534
Unitholders' Equity			
Units on Issue		251,377	251,377
Reserves		(11,984)	(24,975)
Accumulated deficit		(98,117)	(86,868)
TOTAL EQUITY		141,276	139,534

The above Balance Sheet should be read in conjunction with the accompanying notes.

	Note	Consolidated 2014 $'000	2013 $'000
Cash flows from operating activities			
Payments to suppliers		(2,149)	(2,292)
Distributions received from US LLC		2,047	2,446
Interest received		1	3
Net cash (outflow)/inflow from operating activities		(101)	157
Cash flows from investing activities			
Net cash flow from investing activities		-	-
Cash flows from financing activities			
Net cash flow from financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		(101)	157
Cash and cash equivalents at beginning of year		203	90
Net foreign exchange differences		(27)	(44)
Cash and cash equivalents at end of year	7(b)	75	203

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

	Note	Units on Issue	Accumulated Deficit	Reserves	Total Equity
		$'000	**$'000**	**$'000**	**$'000**
CONSOLIDATED					
At 31 December 2012		251,377	(98,006)	(44,390)	108,981
Fair value movement of derivatives					
- recyclable		-	-	1,243	1,243
Foreign currency translations taken to equity					
- recyclable		-	-	18,172	18,172
Profit for the year		-	11,138	-	11,138
Total comprehensive income for the year, net of tax		-	11,138	19,415	30,553
Distributions		-	-	-	
At 31 December 2013		251,377	(86,868)	(24,975)	139,534
Fair value movement of derivatives					
- recyclable		-	-	321	321
Foreign currency translations taken to equity					
- recyclable		-	-	12,670	12,670
Loss for the year		-	(11,249)	-	(11,249)
Total comprehensive income for the year, net of tax		-	(11,249)	12,991	1,742
Distributions		-	-	-	-
At 31 December 2014		251,377	(98,117)	(11,984)	141,276

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

1. Corporate Information

The financial report of the Trust for the year ended 31 December 2014 was authorised for issue in accordance with a resolution of the directors on 26th February 2015.

The Trust was constituted on 2 August 2005. The Responsible Entity of the Trust is RNY Australia Management Limited ("RAML"). The Responsible Entity's registered office is at Level 56, MLC Centre, 19 Martin Place, Sydney, NSW 2000.

RNY Property Trust ("RNY" or the "Trust") is a trust limited by units incorporated in Australia. These units are publicly traded on the Australian Stock Exchange.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with the requirements of the Trust Constitution, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report is prepared in accordance with the historical cost convention except for investment properties and derivatives that are held at fair value.

The financial report has been prepared on a going concern basis.

The consolidated financial statements comprise the financial statements of the Trust and its subsidiary, RNY Australia LPT Corporation (the "US REIT"), together known as the "Group".

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars per ASIC 98/0100.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS").

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Trust has adopted the following Amending Standards and Standards as of 1 January 2014. Adoption of these Amending Standards did not have any effect on the financial position or performance of the Trust:

AASB 2011-4 *Amendments to AAS to remove certain AASB 124 disclosure requirements*
AASB 2013-3 *Amendments to AASB 136 – Recoverable amount disclosures for non-financial assets*
AASB 2013-5 *Amendments to Australia Accounting Standards – Investment Entities*

AASB 1031 *Materiality* – An interim standard to give guidance on materiality in various other standards

2. Summary of Significant Accounting Policies (continued)
(b) Statement of Compliance (continued)

Australian Accounting Standards ("AAS") and Interpretations that have recently been issued or amended but are not yet effective which may have an impact, but have not been adopted by the Group for the annual reporting period ended 31 December 2014 are as follows.

Reference	Title	Summary	Application Date of Standard*	Impact on Group Financial Report	Application Date for Group*
AASB 9	Financial Instruments	Simplify classification of financial instruments and introduction of new hedge accounting requirements	1 Jan 2017	Refer note below**	1 Jan 2017
AASB 15	Revenue from contract with customers	Establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers	1 Jan 2017	Refer note below**	1 Jan 2017

*Designates the beginning of the applicable annual reporting period

**At 31 December 2014 management is in the process of assessing the impact of the above Accounting Standards on the financial report. We will continue to assess the impact of future applicable standards and interpretations as they come into effect.

2. Summary of Significant Accounting Policies (continued)

(c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Trust and its subsidiary as at 31 December 2014. Information from the financial statements of the consolidated entity is included from the date the parent entity obtained control.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

(d) Significant accounting judgements, estimates and assumptions

(i) Significant accounting judgements

Management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Accounting for Investment in US LLC

Under the new control model established in Accounting Standard *AASB 10: Consolidated Financial Statements*, management has determined that the Group does not have sufficient control of its joint venture partner (the US LLC) to be able to consolidate this entity. Accordingly, US LLC is accounted for using the equity method of accounting.

Operating lease commitments

Space in each of the investment properties owned by US LLC is leased to third parties. US LLC retains all the significant risks and rewards of ownership of these properties and has accordingly classified the leases as operating leases.

(ii) Significant estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. There are no key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period apart from the following assumptions:

Fair value of investment properties held by the US LLC – refer Note 2(l)

(e) Provision for distribution

A provision for distribution is recognised in the balance sheet if the distribution has been declared or publicly recommended on or before balance date.

(f) Cash and cash equivalents

Cash at bank and short term deposits are stated at nominal values. For the purpose of the statement of cash flows, cash includes deposits at call, which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value.

2. Summary of Significant Accounting Policies (continued)

(g) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount, less a provision for any uncollectible debts.

The collectability of debts is assessed on an ongoing basis and specific provision is made for any doubtful accounts when collection of the full amount is no longer probable. Bad debts are written off when identified.

(h) Creditors and accruals

Liabilities are recognised for amounts to be paid in the future for services received, whether or not billed. Creditors are normally settled within 30 days. Liabilities for creditors are carried at the original invoice amount.

(i) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred, with the exception of certain loan establishment costs which are amortised over the life of the loan.

Borrowing costs include:

- Interest on bank overdrafts and short-term and long-term borrowings.
- Amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

(j) Investments in Controlled Entities

The Trust's direct investment in its subsidiary (the "US REIT") is carried at cost in the parent entity, less any adjustment for impairment. Balances and transactions between the Trust and US REIT have been eliminated in preparing the consolidated financial statements.

(k) Investments in joint ventures

The Trust holds an indirect investment in its joint venture (the US LLC) through its subsidiary (the US REIT). US LLC is a joint venture in which the Trust has joint control and is accounted for using the equity method of accounting in the consolidated financial statements.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the Group's share of the results of operations of the joint venture. Any change in the OCI of the investee is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises a share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

2. Summary of Significant Accounting Policies (continued)

(k) Investments in joint ventures (continued)

The aggregate of the Group's share of profit or loss from continuing operations after tax of the joint venture is shown on the face of the statement of profit or loss as "Share of net profit of US LLC". The joint venture's share of other comprehensive income or loss is detailed in Note 3(d) to these accounts.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in joint venture, At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is evidence, the Group calculates the amount of the impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss in calculating the "Share of net profit of US LLC" in the statement of comprehensive income.

(l) Investment Properties held by joint ventures

The joint venture's investment properties are carried at fair value. Independent valuations of investment properties are obtained at intervals of not more than three years from suitably qualified property valuers. Such valuations are reflected in the carrying value of the associate. Notwithstanding, the directors of US REIT and the Responsible Entity assess the carrying value of each investment property at each reporting date to ensure that the carrying value does not materially differ from its fair value. Where the carrying value differs from fair value, the relevant assets are adjusted to their fair value.

The prime valuation methodology used by the property valuers in determining fair value, is to discount the expected net cash flows to their present value using a market determined risk-adjusted discount rate applicable to the respective asset. For assets which have not been externally valued at reporting date, a similar valuation methodology has been used by the directors of RAML. Changes in fair value of an investment property are recorded in the statement of comprehensive income as part of the share of net income or loss from the US LLC.

Expenditure capitalised to properties include the costs of acquisition, capital and refurbishment additions. Land and buildings are considered to have the function of an investment and are therefore regarded as a composite asset. The buildings and components thereof (including plant and equipment) are not depreciated.

2. Summary of Significant Accounting Policies (continued)

(m) Foreign currencies

Translation of foreign currency transactions

The functional and presentation currency of the parent entity is Australian dollars.

Transactions in foreign currencies are converted to local currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the reporting date. At 31 December 2014, a spot rate of A$1.00 = US$0.82 was used (31 December 2013: A$1.00 = US$0.89).

Exchange differences arising from amounts payable and receivable are treated as operating revenue or expense in the period in which they arise, except for a monetary item arising under a foreign currency contract outstanding at the reporting date where the exchange rate for the monetary item is fixed in the contract and is translated at the exchange rate fixed in the contract.

Translation of financial reports of foreign operations

The functional currency of RNY's controlled entity and equity accounted investment is United States dollars.

As at the reporting date, the assets and liabilities of these entities are translated into the presentation currency of RNY at the rate of exchange ruling at the balance sheet date and the Statement of Comprehensive Income is translated at the average exchange rates for the period. The exchange differences arising on the retranslation are taken directly to the foreign currency translation reserve.

(n) Interest bearing loans and borrowings

Loans and borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

(o) Contributed Equity

Issued capital is recognised at the fair value of the consideration received by the Trust. Any transaction costs arising on the issue of ordinary units are recognised directly in equity as a reduction of the unit proceeds received.

2. Summary of Significant Accounting Policies (continued)

(p) Revenue

Revenue from rents, interest and distributions is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue brought to account but not received at balance date is recognised as a receivable. Rental income earned under leases with fixed increases is recognised in income on a straight line basis over the lease term.

(q) Earnings per unit (EPU)

Basic EPU is calculated as net profit attributable to members divided by the weighted average number of ordinary units. Diluted EPU is calculated as the net profit attributable to members divided by the weighted average number of ordinary units adjusted for the effects of all dilutive potential ordinary units. RNY has no dilutive potential ordinary units therefore its basic and diluted EPU are the same.

(r) Taxes

Income Tax

Under current Australian tax legislation, the Trust is not liable to pay Australian income tax provided its taxable income and taxable realised gains are fully distributed to unitholders.

Under the US Internal Revenue Code, US REIT has elected to be taxed as a Real Estate Investment Trust (REIT), and on this basis, US REIT should not be subject to US federal income taxes to the extent that it distributes annually all of its taxable income and capital gains to its shareholders. In order to maintain its qualification as a REIT, US REIT must distribute at least 90% of its taxable income (net of capital gains) to its shareholders annually.

Under current Australian tax legislation, unitholders of RNY may be entitled to receive a foreign tax credit for United States withholding tax deducted from dividends and interest paid to RNY by US REIT.

The Trust may realise a capital gain or loss on sale or transfer of its US investments that may attract a US tax liability. If a capital gain is distributed, a US withholding tax liability may arise and give rise to a foreign tax credit which would be available to Australian unitholders.

Under AIFRS, a deferred tax liability or asset must be recognised based on movements in the carrying value and tax cost base of investment property assets, with any movements reflected in the Statement of Comprehensive Income as a tax expense or benefit. The US tax rate of 15% is applicable for the valuation uplift on such investment property assets which are held for use.

Goods and Services Tax

Revenues, expenses and assets (with the exception of receivables) are recognised net of the amount of Goods and Services Tax (GST) to the extent that the GST is recoverable from the taxation authority. Where GST is not recoverable, it is recognised as part of the cost of acquisition, or as an expense. Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from or payable to the taxation authority is included in the balance sheet as a receivable or a payable.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

2. Summary of Significant Accounting Policies (continued)

(s) Impairment of Assets

The directors of the Responsible Entity, US REIT and US LLC assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, an estimate is made of the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and written down to its recoverable amount.

(t) Comparatives

Where necessary, comparative information has been reclassified to conform with changes in presentation in these financial statements.

3. Investments in joint ventures

	Consolidated 2014 $'000	Consolidated 2013 $'000
Investment in joint venture	**146,937**	**144,342**

Other details are as follows:

Entity	Date Acquired	Payment Consideration	Country of incorporation	Ownership interest
RNY Australia Operating Company LLC ("US LLC")	21 Sep 05	Cash	United States	75%

RNY has a 100% interest in RNY Australia LPT Corp. (US REIT), which in turn has a 75% interest in RNY Australia Operating Company LLC ("US LLC"), a Delaware Limited Liability Company that as of 31 December 2014 owned 21 office properties (2013: 21 office properties) in the New York Tri-State area. The owner of the remaining 25% interest is an affiliate of RXR Realty LLC , a private enterprise founded by Messrs. Rechler, Maturo and Barnett (three of the directors of the Trust). Additionally, US LLC has an approximate 7.8% interest in BRE/Melville Holdings LLC ("BRE/Melville"), a Delaware Limited Liability Company that as of 31 December 2014 owned 3 office properties (2013: 3 office properties). With regards to this interest, the US$27 million loan secured by such properties matured in October 2014 and the lender commenced a foreclosure proceeding on 20 January 2015. At 31 December 2014 the Group had assigned no value to its interest in BRE/Melville. Such foreclosure proceedings will have no impact on the value of the Group.

Under the structure created above, RNY (through the US REIT) and RXR exercise joint control over the property investments held in the US LLC. RXR has retained considerable powers in relation to the control of the US LLC, both during the US LLC's operation and in the event of winding up. Accordingly the Group has adopted the equity method of accounting for its investment in the US LLC.

3. Investments in joint ventures (continued)

The following table illustrates summarised financial information relating to the investment in RNY Australia Operating Company LLC:

	Note	Consolidated 2014 $'000	Consolidated 2013 $'000
Movements in carrying amounts			
Carrying amount at the beginning of the year		144,342	113,273
Distributions received		(2,047)	(2,446)
Share of (loss)/profit of joint venture		(8,834)	13,418
Share of other comprehensive income of joint venture		321	1,243
Effect of changes in exchange rates		13,155	18,854
Carrying amount at the end of the year		**146,937**	**144,342**
Balance Sheet of US LLC			
Current assets			
Cash and cash equivalents [(i)]		15,260	15,748
Trade and other receivables		1,556	1,298
		16,816	17,046
Non-current assets			
Investment properties		504,024	471,055
Other non-current assets		20,069	23,353
		524,093	494,408
Total Assets		540,909	511,454
Current liabilities	3(a)(i)	19,996	17,487
Non-current liabilities	3(a)(ii)	324,997	301,511
Total Liabilities		344,993	318,998
Equity of US LLC		**195,916**	**192,456**
Proportion of the Group's ownership		**75%**	**75%**
Carrying amount of the investment		**146,937**	**144,342**

(i) Certain cash included above is subject to control by certain lenders. Refer to Note 3(e) for further details.

3. Investments in joint ventures (continued)

(a) Share of US LLC liabilities

(i) Current liabilities comprise:

Facility	US $'000 @ 100% 2014	US $'000 @ 100% 2013	AUD $'000 @ 100% 2014	AUD $'000 @ 100% 2013	Int Rate	Maturity Date
Trade & other creditors	15,406	14,540	18,783	16,251	n/a	Current
Interest rate swap - current	995	1,106	1,213	1,236	*see note (a)*	Current
Total	**16,401**	**15,646**	**19,996**	**17,487**		
Group share @ 75%			**14,997**	**13,115**		

(ii) Non-current liabilities comprise:

Facility	US $'000 @ 100% 2014	US $'000 @100% 2013	AUD $'000 @100% 2014	AUD $'000 @ 100% 2013	Int Rate	Maturity Date
Fixed rate commercial mortgages						
Tranche II mortgage*	72,000	72,000	87,784	80,465	5.32%	Jan 2016
Dec 2009 mortgage*	39,719	40,867	48,425	45,672	4.25%	Jan 2017
					see note (c)	
Mezzanine loan	36,000	36,000	43,892	40,232	*see note (b)*	May 2017
Floating rate commercial Mortgage						
Senior Bank loan*	118,379	120,184	144,330	134,314	*see note (a)*	May 2017
Interest rate swap – non current	348	741	425	828	*see note (a)*	May 2017
JV Partner loan	116	-	141	-		
Total	**266,562**	**269,792**	**324,997**	**301,511**		
Group share @ 75%			**243,748**	**226,133**		

* These mortgages are secured over certain properties of the US LLC.

Note (a). The Senior Bank loan bears interest at a variable rate of LIBOR plus 3.95% per annum. The US LLC has an interest rate swap agreement in place at 31 December 2014 with a notional amount of $US118.4 million (2013: $US120.2 million) which fixes LIBOR at approximately 1.33% per annum. The swap is being used to hedge the expected interest cost payable on this loan. As a result, the Senior Bank loan bears interest at an all-in rate of approximately 5.28% per annum for the term of the loan. The current portion of the swap shown above represents the present value of interest amounts payable within the next 12 months under the swap agreement.

3. Investments in joint ventures (continued)

(a) Share of US LLC liabilities (continued)

Note (b). The Mezzanine loan (the “Mezz Loan”) accrued interest at a fixed rate of 13% per annum during 2014. Interest only payments were made from April 2012 at a fixed rate of 6% per annum in year 1, 8% per annum in year 2 and 13% per annum through year end. Accrued and unpaid interest is due at maturity. The Mezz Loan lender has the right to receive additional interest on the Mezz Loan equal to 15% of any net residual cash flow upon the sale or refinancing of the properties that secure the Mezz Loan, after the borrower receives a 15% annual internal rate of return on the new equity that it invests in the properties. At 31 December 2014, the Share of US LLC liabilities includes approximately $1.7 million related to this additional interest obligation, with a corresponding charge of approximately $1.6 million in borrowing costs on the Statement of Comprehensive Income. The Mezz Loan was modified on 14 January 2015. Refer to Note 11 Subsequent Events for further details of the amendment.

Note (c). The December 2009 mortgage was modified on 25 March 2014. The interest rate of the mortgage was reduced from 6.125% to 4.25%. There were no additional changes to the mortgage terms and conditions.

(b) Assets pledged as security:

The Group share of carrying amounts of assets pledged as security for current and non-current secured borrowings are:

	2014 $’000 @ 75%	2013 $’000 @ 75%
Non-current assets		
Tranche II mortgage		
Investment properties	117,502	108,041
Dec 2009 mortgage		
Investment properties	79,462	74,346
Senior Bank loan / Mezz Loan		
Investment properties	181,054	170,904
Total non-current assets pledged as security	**378,018**	**353,291**

(c) Terms and conditions relating to secured borrowings

All secured borrowings were negotiated as non-recourse loans with exposure being limited to the properties pledged for each loan facility. There are no set-off arrangements involving the other assets of the Group. The above borrowings are not subject to any gearing covenants.

The investment properties pledged as security for the Senior Bank loan and the Mezz Loan are subject to a quarterly debt service coverage calculation test (the “DSCR Test”), which is applied in the aggregate to the investment properties as a group. Should the investment properties not meet the DSCR Test, the borrower would be required to post a letter of credit which, if applied to the Senior Loan balance, would cause the investment properties to be in compliance with the DSCR Test. At 31 December 2014, the investment properties were in compliance with the DSCR test.

3. Investments in joint ventures (continued)

(d) Summarised statement of comprehensive income of US LLC

	Consolidated 2014 $'000	2013 $'000
Revenue & other income		
Rental income from investment properties	65,259	66,451
Other income	1,728	2,005
Equity in (loss)/earnings of real estate joint venture	(1,011)	323
Gain on debt restructure	-	6,476
Gain on property conveyance	-	3,499
Total revenue	65,976	78,754
Expenses		
Property expenses	36,575	34,580
Borrowing costs	22,536	21,827
Loss from investment property revaluations	15,269	1,429
Other expenses	3,375	3,027
Total expenses	77,755	60,863
Net (loss)/profit of US LLC before income tax	(11,779)	17,891
Income tax expense	-	-
Net (loss)/profit from continuing operations after income tax	(11,779)	17,891
Other comprehensive income – recyclable		
Gain on financial instrument hedge - (net of tax)	428	1,657
Total comprehensive (loss)/income for the year	(11,351)	19,548
Proportion of the Group's ownership:	**75%**	**75%**
Group's share of (loss)/income of US LLC for the year	(8,834)	13,418
Group's share of other comprehensive gain for the year	321	1,243
Group's share of (loss)/income for the year	**(8,513)**	**14,661**

(e) Current funding

At December 31, 2014, with regards to the Senior Bank loan, the US LLC has approximately US$1.5 million (31 December 2013: US$2.6 million) in a lender controlled cash account with the Senior Bank loan lender. The cash account is used to fund operating expenses, reserves and debt service on a monthly basis. Any remaining funds after providing for the aforementioned items is deposited into a leasing reserve.

4: Share of US LLC's Investment Properties

	Consolidated	
	2014	**2013**
	$'000	**$'000**
Investment properties held in equity accounted Investments at fair value	**378,018**	**353,291**

The Trust has an interest in property investments held by equity accounted investments, through the indirect holding of a 75% interest in the US LLC. The amounts set out in this note represent the 75% interest in these properties.

Included in the carrying value of investment properties are the following:		
Straight – line asset*	9,544	9,196
Lease commissions	7,947	7,606
Deferred revenues**	(2,687)	(2,857)
Total	14,804	13,945

*Asset arising from recognising lease income, with fixed increases, on a straight line basis.
**Liability related to receipt of cash in advance of lease obligations.

(a) Reconciliation of carrying amounts
A reconciliation of the carrying amount of property investments at the beginning and end of the financial year is set out below:

Carrying amount at the start of the year	353,291	331,880
Fair value decrement (unrealised)	(11,452)	(1,072)
Capital additions	4,590	4,778
Other investment value	(408)	944
Book value of property disposals	-	(35,419)
Foreign exchange gain	31,997	52,180
Carrying amount at the end of the year	**378,018**	**353,291**

At 31 December 2014, the investment portfolio occupancy rate was 74.8% (2013: 80.9%) with a weighted average lease expiry of 3.8 years (2013: 3.8 years). Certain of the joint venture's properties are pledged as security for the joint venture's borrowings. See note 3(b) for further details.

4. Share of US LLC's Investment Properties (continued)

The attached table shows details of property investments held through controlled entities and joint ventures as at 31 December 2014. The amounts below represent the Consolidated Entity's 75% beneficial share of these properties at balance dates.
Amounts are in US Dollars and Australian Dollars where indicated.

Property Address	Date of Acquisition	Region	Book Value At 31 Dec 13 @75% US $'000	Book Value At 31 Dec 14 @75% US $'000	Latest Independent Appraisal(i) @75% US $'000	Date of Latest Independent Appraisal	Book Value At 31 Dec 13 @75% AUD $'000	Book Value At 31 Dec 14 @75% AUD $'000	Latest Independent Appraisal(i) @75% AUD $'000
35 Pinelawn Rd, Long Island	21 Sep 05	Long Island	11,250	12,525	11,250	31 Dec 13	12,573	15,271	13,716
150 Motor Parkway, Long Island	21 Sep 05	Long Island	20,475	19,350	19,350	31 Dec 14	22,882	23,592	23,592
660 White Plains Rd, Westchester County	21 Sep 05	Westchester	27,225	28,425	27,225	30 Jun 14	30,426	34,656	33,193
100 Executive Dr, Nth New Jersey	21 Sep 05	New Jersey	5,700	3,225	3,225	31 Dec 14	6,370	3,932	3,932
100 Grasslands Rd, Westchester County	21 Sep 05	Westchester	7,350	8,175	7,800	30 Jun 13	8,214	9,967	9,510
80 Grasslands Rd, Westchester County	21 Sep 05	Westchester	10,050	9,300	9,150	30 June 14	11,231	11,339	11,156
200 Executive Dr, Nth New Jersey	21 Sep 05	New Jersey	7,125	5,475	5,475	30 Jun 14	7,963	6,675	6,675
492 River Rd, Nth New Jersey	21 Sep 05	New Jersey	30,750	31,425	30,750	31 Dec 13	34,365	38,314	37,491
225 High Ridge Rd, Fairfield County	21 Sep 05	Connecticut	33,000	30,600	33,225	30 Jun 14	36,880	37,308	40,508
300 Motor Parkway, Long Island	21 Sep 05	Long Island	5,175	5,475	5,475	30 Jun 14	5,783	6,675	6,675
505 White Plains Rd, Westchester County	21 Sep 05	Westchester	2,025	2,025	2,025	31 Dec 13	2,263	2,469	2,469
55 Charles Lindbergh Blvd, Long Island	21 Sep 05	Long Island	28,500	29,850	28,500	31 Dec 13	31,851	36,394	34,748
200 Broadhollow Rd, Long Island	21 Sep 05	Long Island	8,175	7,950	7,950	31 Dec 14	9,136	9,693	9,693
10 Rooney Circle, Nth New Jersey	21 Sep 05	New Jersey	5,100	4,725	5,100	30 Jun 13	5,700	5,761	6,218
560 White Plains Rd, Westchester County	21 Sep 05	Westchester	11,025	10,275	11,025	31 Dec 13	12,321	12,527	13,442
555 White Plains Rd, Westchester County	21 Sep 05	Westchester	12,300	12,300	13,350	30 Jun 13	13,746	14,996	16,277
6800 Jericho Turnpike, Long Island	6 Jan 06	Long Island	20,625	20,550	20,550	31 Dec 14	23,050	25,055	25,055
6900 Jericho Turnpike, Long Island	6 Jan 06	Long Island	10,950	10,725	11,175	30 Jun 13	12,237	13,076	13,625

4. Share of US LLC's Investment Properties (continued)

Property Address	Date of Acquisition	Region	Book Value At 31 Dec 13 @75% US $'000	Book Value At 31 Dec 14 @75% US $'000	Latest Independent Appraisal(i) @ 75% US $'000	Date of Latest Independent Appraisal		Book Value At 31 Dec 13 @75% AUD $'000	Book Value At 31 Dec 14 @75% AUD $'000	Latest Independent Appraisal(i) @75% AUD $'000
710 Bridgeport Ave, Fairfield County	6 Jan 06	Connecticut	28,500	28,200	28,125	30 Jun 13		31,851	34,382	34,290
580 White Plains Rd, Westchester County	6 Oct 06	Westchester	19,875	19,200	19,200	31 Dec 14		22,212	23,409	23,409
300 Executive Dr, Nth New Jersey	6 Oct 06	New Jersey	10,950	10,275	11,100	31 Dec 12		12,237	12,527	13,533
			316,125	310,050	311,025			353,291	378,018	379,207

(i) CB Richard Ellis, Inc. – Valuation and Advisory Services ("CBRE") performed appraisals for five of the joint venture's properties at 31 December 2014 as noted above. Internal appraisals were then performed at balance date on the remainder of the properties based on capitalisation rates advised by CBRE. In addition CBRE performed appraisals for the remainder of the joint venture's properties at the appraisal dates shown above.

Representative market capitalisation rates and discount rates for each of the geographical regions in which the joint venture owns properties are as follows:

Region	Market Capitalisation Rate	Discount Rate
Westchester	7.62%	8.50%
Long Island	7.67%	8.50%
New Jersey	8.55%	9.22%
Connecticut	8.49%	8.73%

5. Distribution Statement

	Consolidated 2014 $'000	Consolidated 2013 $'000
Total comprehensive profit for the period attributable to unitholders of RNY	1,742	30,553
Adjusted for RNY share of:		
Loss from investment property revaluations	11,452	1,072
Gain on debt restructure	-	(4,857)
Gain on property conveyance	-	(2,624)
Straight lining of rental income	331	(713)
Mortgage cost amortisation	889	765
Leasing cost amortisation	2,148	1,887
Gain on financial instrument hedge	(321)	(1,243)
Foreign currency translation gain	(12,670)	(18,172)
INCOME AVAILABLE FOR DISTRIBUTION	3,571	6,668
Other amounts retained	(3,571)	(6,668)
DISTRIBUTION PAID AND PAYABLE	-	-

6. Deferred tax asset

At 31 December 2014, the Group share of temporary differences for which no deferred tax asset is recognised on the balance sheet is $AU0.909 million (2013: $AU1.132 million).

A deferred tax asset has not been recognised in the accounts as it is not considered probable that future gains will be available against which the temporary differences can be utilised.

7. Reconciliation of net profit to net cash flows

	Consolidated 2014 $'000	2013 $'000
(a) Reconciliation of net (loss)/profit to net cash (outflow)/inflow from operating activities		
Net (loss)/profit for the year from continuing operations	(11,249)	11,138
(Increase)/decrease in receivables and other assets	(11)	7
Increase/(decrease) in payables and other liabilities	274	(35)
Net realised foreign exchange loss	4	19
Undistributed loss/(income) transferred to reserves of equity accounted joint ventures	10,881	(10,972)
Net cash(outflow)/inflow from operating activities	(101)	157

(b) Components of cash

Cash as at the end of the financial year as shown in the Cash Flow Statement is reconciled to the Balance Sheet as follows:

	2014 $'000	2013 $'000
Cash and liquid assets*	75	203

8. Earnings per unit

	Consolidated 2014 Cents	2013 Cents
(a) Basic and diluted earnings per unit	(4.27)	4.23

Earnings per unit are calculated by dividing the net profit attributable to unitholders for the year by the weighted average number of ordinary units on issue during the year. The weighted average number of units used in the calculation of earnings per unit is 263,413,889.

	2014	2013
(b) Basic earnings per unit after adjusting for fair value movements and foreign currency movements*	0.08	1.80

	2014 $'000	2013 $'000
*This calculation is based on the following adjusted net income:		
Total comprehensive income attributable to RNY unitholders	1,742	30,553
add: loss from investment property revaluations	11,452	1,072
less: gain on debt restructure	-	(4,857)
less: gain on property conveyance	-	(2,624)
less: gain on financial instrument hedge	(321)	(1,243)
less: foreign currency translation gain	(12,670)	(18,172)
Adjusted net profit used in calculation above	203	4,729

9. Net Asset Backing per Unit

	Consolidated	
	2014	**2013**
	$	**$**
Net asset backing per unit	$0.54	$0.53

Net asset backing per unit is calculated by dividing the equity attributed to unitholders of RNY by the number of ordinary units on issue being 263,413,889 units

10. Segment Reporting

The Group has identified its operating segment based on internal reports that are reviewed and used by the Board of Directors of the Responsible Entity (the chief operating decision makers) in assessing the performance and in determining the allocation of resources.

The Group’s management has determined that RNY has one operating segment, represented by the investment in the US LLC.

RNY’s income is derived from indirect investments in office properties located outside Australia, held via the US LLC and from short term deposits and money market securities which are held for and are incidental to those property investments. Except for cash deposits and derivatives held in Australia, all such investments are located in the United States.

The performance measures used by management differ from those disclosed in the Statement of Comprehensive Income as certain adjustments are made to arrive at an adjusted net profit or loss which better facilitates the decision making of the chief operating decision makers. The adjustments made to the segment result are detailed in Note 8(b) of these accounts. A reconciliation of adjusted net profit to the consolidated net profit shown in the statement of comprehensive income is also provided in the note.

Segment revenues are derived from a broad tenant base across the 21 operating properties owned by the US LLC. There is no single tenant providing revenues greater than 10% of the segment’s total income.

11. Subsequent Events

On 14 January 2015 the US LLC amended the US$36.0 million Mezz Loan. Such Mezz Loan was issued in April 2012 and matures in May 2017. Pursuant to the original terms of the Mezz Loan, interest accrued at a 13% rate for the entire 5-year term, but was payable at a 6% rate in the first year, 8% rate in the second year, and 13% rate for the final three years of the 5-year term. As per the amendment, (i) instead of a 13% interest pay rate, the US LLC will pay interest at an 8% rate for year three of the Mezz Loan (April 2014 – March 2015), at a 9% pay rate in year four, and a 10% pay rate in the fifth and final year, and (ii) the interest accrual rate for the final 3 years of the Mezz Loan will increase from 13% to 14% per annum. After giving effect to the amendment, the US LLC received a credit in the amount of approximately US$1.5 million related to interest payments made under the original loan terms versus those due per the amendment.

On 29 January 2015 the US LLC sold 505 White Plains Road for US$2.7 million. The Group's 75% share of the sale price of US$2.025 million equates to the property's carrying value at balance date.

With regards to the US LLC's approximate 7.8% interest in the 3 properties held by BRE/Melville, the US$27 million loan secured by such properties matured in October 2014 and the lender commenced a foreclosure proceeding on 20 January 2015. At 31 December 2014 the Group had assigned no value to its interest in BRE/Melville. Such foreclosure proceedings will have no impact on the value of the Group.

12. Compliance Statement

(i) This Preliminary Financial Report has been prepared in accordance with the Australian Stock Exchange listing rules.

(ii) This report and the financial statements upon which the report is based use the same accounting policies.

(iii) This report is based on financial statements that are in the process of being audited and therefore no audit report has been attached.

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